



THE  
**SALES  
MANAGEMENT**  
ASSOCIATION

RESEARCH REPORT  
**SALES MANAGER TRAINING**  
MARCH 2016

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**Research Report: Sales Manager Training**

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The Sales Management Association is a global, cross-industry professional organization for sales operations, sales effectiveness, and sales leadership professions. We provide our members with tools, networking, research, training, and professional development.

Our research initiatives address topics relevant to practitioners across a broad spectrum of sales effectiveness issues. Our research is available to members on our site at [www.salesmanagement.org](http://www.salesmanagement.org).

In addition to research we publish best practice tools, archived webcasts, and expert content. Visit our website at <http://salesmanagement.org> to learn more.



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# 1 RESEARCH SUMMARY

## 1.1 RESEARCH OBJECTIVES

REONDENTS	TOTAL
FIRMS	213
SALESPEOPLE	216,800
SALES MGRS.	25,800

**1.1** TWO HUNDRED THIRTEEN FIRMS PARTICIPATED IN THE RESEARCH. DETAILED RESPONDENT DEMOGRAPHICS ARE PRESENTED IN SECTION 9.

This research focuses on how business-to-business firms support sales manager development through training. It surveys the training practices in use, the training topics and managerial competencies deemed important, the effectiveness of various training approaches, and management's priorities in improving training efforts. The research attempts to benchmark firm investment in sales manager training, and more importantly to correlate sales manager training investment with firm performance, a link helpful to organizations focused on considering training investment's financial return.

## 1.2 SUMMARY OF KEY FINDINGS

Almost all firms fill sales manager positions with salespeople newly promoted into their first management role. (On average, 71% of newly hired sales managers come from internal promotion; that percentage increases with firm size.) As a result, most firms are, *de facto*, in the sales manager development business. When considered alongside significant annual sales manager turnover (averaging 13%, but 20% or more in a quarter of all firms), it's clear that almost all firms have a persistent need to develop sales managers.



This need exists regardless of firms' commitment to developing managers, and in fact we found significant variance in the degree to which organizations support sales manager development. Between 30% and 41% of firms do not support development efforts with senior leadership support, specific training initiatives, or a reinforcing company culture. However, for those that do enjoy a significant performance advantage, our research showed an improvement of between 14% and 19% in firm sales objective achievement for firms that positively supported development efforts in these ways.

Only slightly more than half of all sales management training is tailored to managing salespeople; otherwise, it is focused on more generic management skills. The sales-specific management skills considered most important are sales coaching, assessing salesperson performance, understanding firm offerings, pipeline management, and forecasting.

Respondents are most effective at delivering sales management training in understanding firm offerings. Other competencies rated highest in importance are customer knowledge, sales methodology, and change management.

Considered least important as a competency to train (though still rated higher at "somewhat important") are effective hiring and business acumen. Interestingly, firms effective in training sales managers in business acumen had the largest performance advantage compared to non-effective peer firms. Their sales objective achievement was 22% better than other firms' – the largest performance variance tied to effectiveness in training a specific sales manager competency. Other notable competencies that, if effectively trained, correlate to improved sales objective achievement are assessing salesperson performance (16% improvement), pipeline management (14% improvement), and forecasting (13% improvement).

The most important sales manager training improvement priorities, based on aggregate data from all firms, are in the topics of effective hiring, assessing salesperson performance, and sales forecasting.



Our research also linked organizational commitment to sales manager development with improved firm performance in other ways. For example, we found that a substantial performance advantage accrues to those firms that simply attempt to measure sales manager training effectiveness. On average, firms that measure sales manager training effectiveness outperformed those that did not by 19% in sales objective achievement, and 13% in profit objective achievement. These correlations between training measurement and firm performance are not related to training effectiveness – they simply establish a correlation between firm performance and the effort to measure training effectiveness (regardless of the outcome of that effort).

Similarly, we found that firms spending the most on sales manager training have the highest-performing sales forces. Our analysis separated all firms into one of three categories, based on total sales manager training spending. Those firms in the top third (spending the most on sales manager training) had sales objective achievement rates 8% higher than firms in the other two categories. We also found firms that increased spending in sales training (for both salespeople and sales managers) showed higher rates of sales and profit objective achievement than other firms, with sales and profit achievement rate advantages of 11% and 15%, respectively, over other firms in the study.



## 2 THE PERSISTENT NEED FOR SALES MANAGER TRAINING

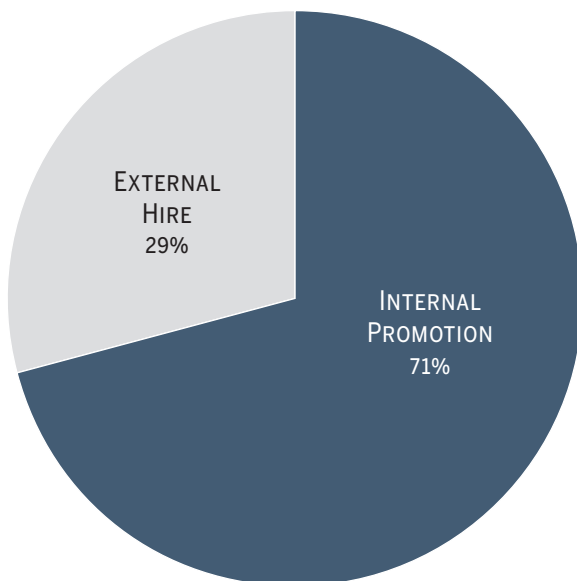
### 2.1 PROMOTIONS INTO SALES MANAGEMENT OUTNUMBER EXTERNAL HIRES

Much has been written about promoting salespeople into management roles. It is a contentious topic. Only managers with selling experience can lead salespeople, say the practice's apologists. But high-performing salespeople, counter its critics, are wholly unsuited for management. This topic is happily beyond the scope of this research, and we'll venture no opinion on whether firms should, or should not, promote salespeople to become sales managers. But if there is one thing our research points out, it's that whatever the merits of the practice, organizations are doing a lot of it.

On average, 71% of newly hired sales managers, across all firms in our study, will be promoted from within the firm. This percentage is lower for firms with fewer than 300 sales managers, but averages 75% for firms above this size.

SOURCE OF PROJECTED SALES MANAGER HIRES OVER NEXT 12 MONTHS

#### AVERAGE DISTRIBUTION BY FIRM

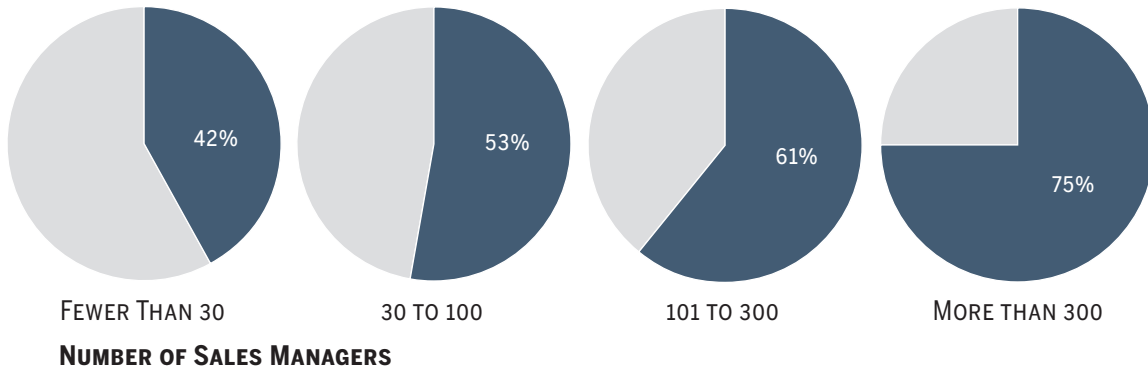


**2.1.1** ON AVERAGE, 71% OF ALL NEW SALES MANAGERS WILL BE PROMOTED FROM WITHIN THE FIRM.



PERCENTAGE OF SALES MANAGERS PROMOTED FROM WITHIN THE FIRM

PERCENTAGE OF FIRMS



2.1.2 AS FIRMS GROW THEY MAKE INCREASING USE OF INTERNAL PROMOTION TO STAFF SALES MANAGER POSITIONS.

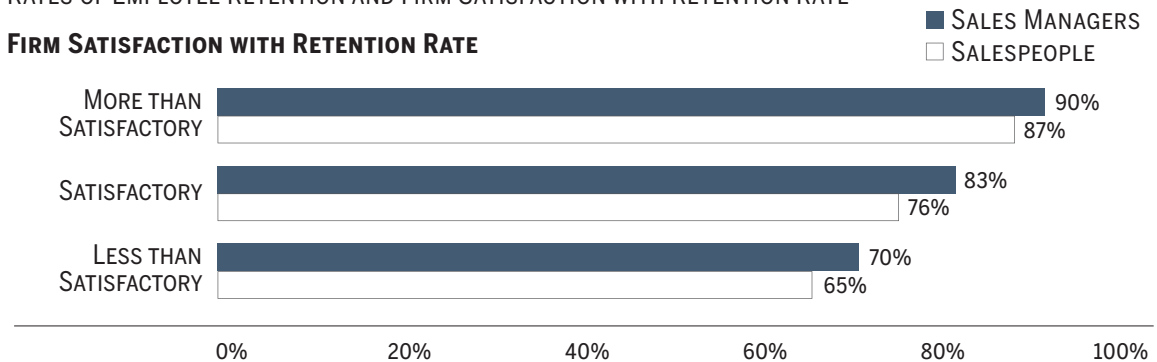
2.2 PERSONNEL TURNOVER FUELS ONGOING DEMAND FOR NEW MANAGERS

Our research also quantifies sales manager retention rates. Manager retention in sales organizations averages 87% annually across all respondent firms. Among firms who rate sales manager turnover “satisfactory,” annual turnover is 17% (or 83% retention). This suggests that even in firms with acceptable employee retention, one to two sales managers out of 10 will exit their positions each year.

A steady number of open positions, to say nothing of additional headcount required by expanding firms, and a bias toward internal recruitment make most companies de facto trainers and developers of sales managers, whether or not they’ve chosen to prioritize manager development, or even allocated resources to address the need.

RATES OF EMPLOYEE RETENTION AND FIRM SATISFACTION WITH RETENTION RATE

FIRM SATISFACTION WITH RETENTION RATE



ANNUAL EMPLOYEE RETENTION PERCENTAGE BY FIRM

2.2 ON AVERAGE, FIRMS THAT RATE PERSONNEL RETENTION AS “SATISFACTORY” RETAIN 83% OF SALES MANAGERS AND 76% OF SALESPEOPLE FROM ONE YEAR TO THE NEXT. SEE SECTION 7 FOR MORE RETENTION STATISTICS.



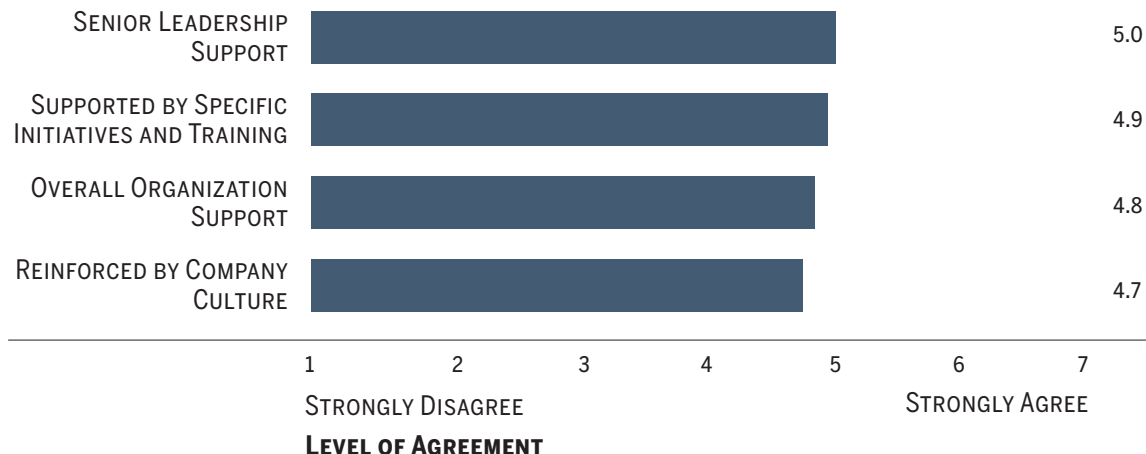
# 3 FIRM SUPPORT FOR SALES MANAGER TRAINING AND DEVELOPMENT

## 3.1 ORGANIZATIONAL SUPPORT

Organizations support their employees’ learning and development in multiple ways. Our research examined four general indicators of organizational support. These include support from the overall organization, from senior leadership, and from company culture. The presence of specific initiatives and training was also included as a more tangible measure of organizational commitment. In a subsequent report section we detail organizations’ budgetary support of learning and development.

### FIRM SUPPORT OF PROFESSIONAL DEVELOPMENT FOR SALES MANAGERS

#### AVERAGE AGREEMENT RATING BY FIRM



**3.1.1** FOUR AREAS OF ORGANIZATIONAL SUPPORT FOR SALES MANAGER DEVELOPMENT ARE RATED WITHIN A NARROW RANGE OF EFFECTIVENESS.

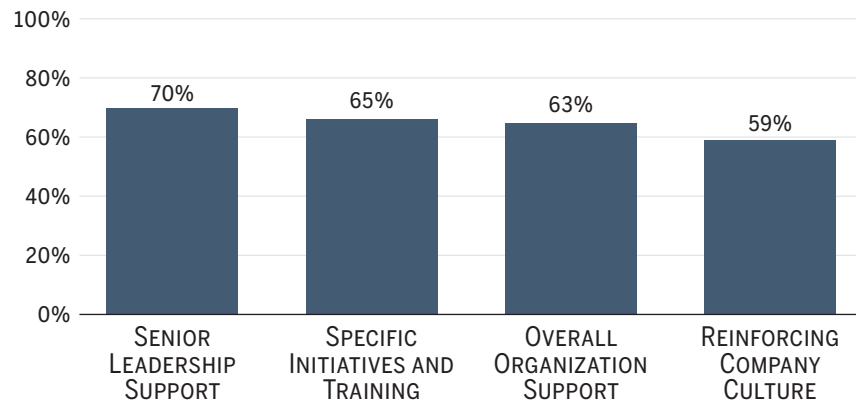


On average, respondents indicate moderate levels of organizational support. Senior leadership support is highest rated (indicating the most support), with a rating of 5.0 on a 7-point scale, where 1 represents complete disagreement, 4 is a neutral, and 7 is complete agreement. (An agreement scale was used to rate respondents' agreement with a statement related to each support area.) The lowest-rated (indicating the least level of support) is company culture that reinforces an emphasis on professional development. Its rating is 4.7.

FIRM SUPPORT OF PROFESSIONAL DEVELOPMENTAL FOR SALES MANAGERS

**PERCENTAGE OF FIRMS THAT SUPPORT WITH...**

**3.1.2** WHILE 70% OF ALL RESPONDENTS CONSIDER SENIOR LEADERSHIP SUPPORTIVE OF SALES MANAGER DEVELOPMENT, JUST 59% BELIEVE COMPANY CULTURE REINFORCES A DEVELOPMENTAL EMPHASIS.



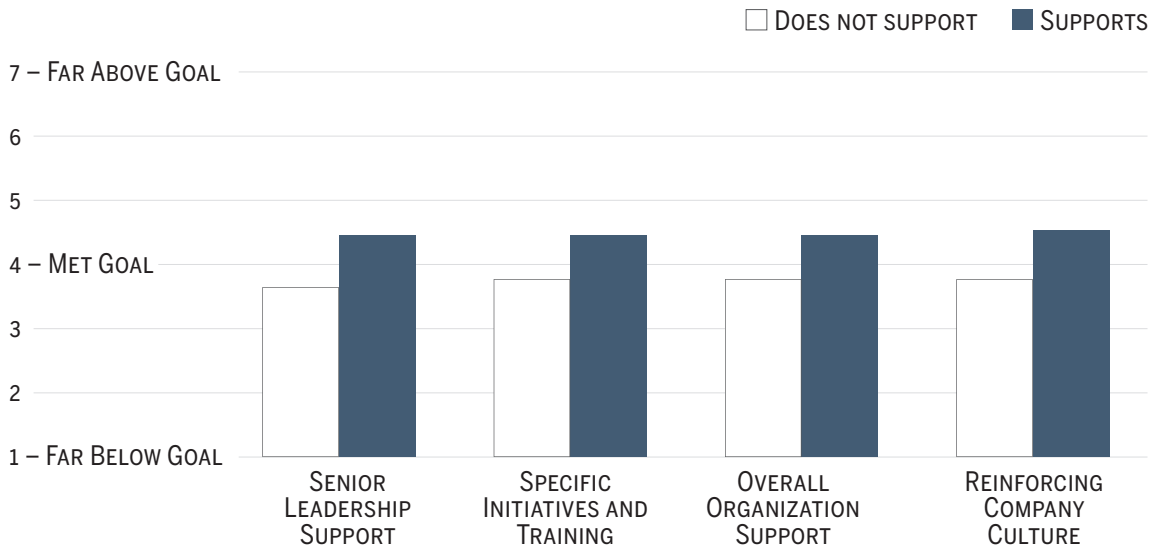
**3.2 CORRELATING ORGANIZATIONAL SUPPORT AND FIRM PERFORMANCE**

Firms that support sales manager development are more likely to exceed their sales objective, and significantly outperform other firms. Our research showed an improvement of between 14% and 19% in firm sales objective achievement for firms that rated support levels as positive. Supporting manager development with specific initiatives and training correlated with a 14% firm performance advantage; while senior leadership support correlated with a 19% performance advantage, the highest of the four organizational support areas researched.



FIRM SUPPORT OF SALES MANAGER DEVELOPMENT, AND FIRM SALES OBJECTIVE ACHIEVEMENT

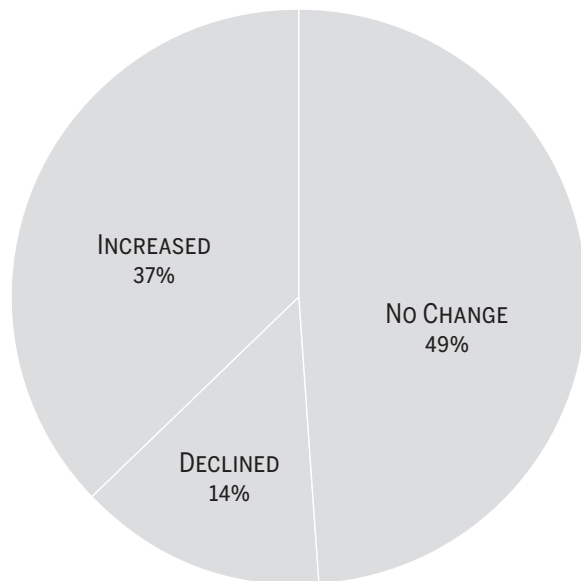
**FIRM SALES OBJECTIVE ACHIEVEMENT**



**3.2** FIRMS THAT SUPPORT SALES MANAGER DEVELOPMENT SIGNIFICANTLY OUTPERFORM OTHER FIRMS.

THREE-YEAR CHANGE IN SALES ORGANIZATION TRAINING AND DEVELOPMENT EXPENSE

**PERCENTAGE DISTRIBUTION OF FIRMS**



**3.3.1** JUST 14% OF RESPONDENTS' SALES FORCE TRAINING SPENDING DECLINED IN THE PRIOR THREE YEARS.

**3.3 FIRM SPENDING ON SALES FORCE TRAINING**

Thirty-seven percent of respondents increased spending on sales force training in the prior three years. Forty-nine percent had no change, and 14% spent less on sales force training. More than twice as many firms increased spending on sales force training than those that spent less.

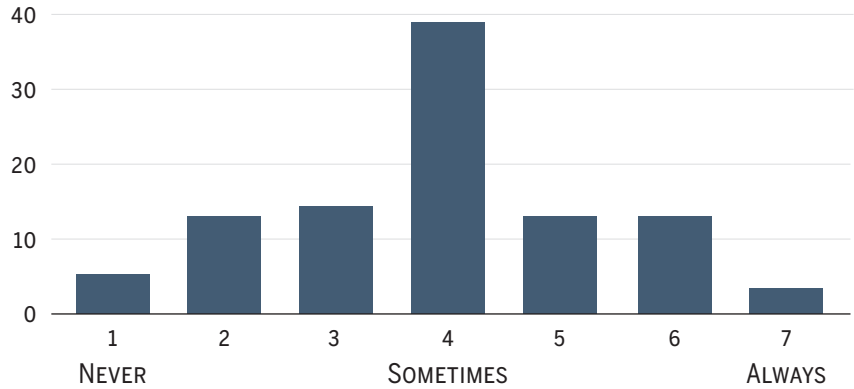
Most firms fund external training (university-based or commercially offered), at least "sometimes." Thirty-two percent of respondents find training less often than "sometimes" (with just 3% "never" doing so), and 29% fund outside training more often than "sometimes" (with 3% doing so "always").



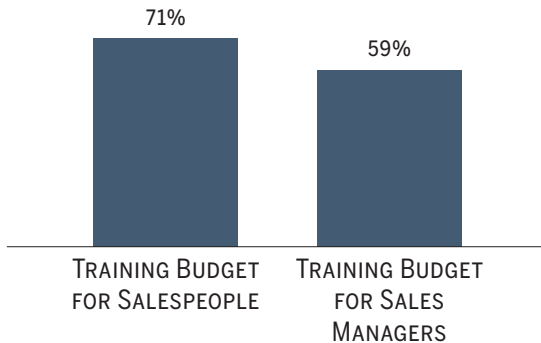
FIRM WILLINGNESS TO FUND EXTERNAL TRAINING FOR SALES FORCE

PERCENTAGE DISTRIBUTION BY FIRMS

**3.3.2** ALMOST ALL FIRMS CONSIDER OUTSIDE TRAINING FOR THE SALES FORCE, EITHER UNIVERSITY-LED OR COMMERCIALY OFFERED.



FIRMS' USE OF TRAINING BUDGETS FOR SALES PERSONNEL  
PERCENTAGE DISTRIBUTION OF FIRMS



**3.4.1** FIRMS ARE MORE LIKELY TO BUDGET FOR SALESPERSON TRAINING THAN FOR SALES MANAGER TRAINING.

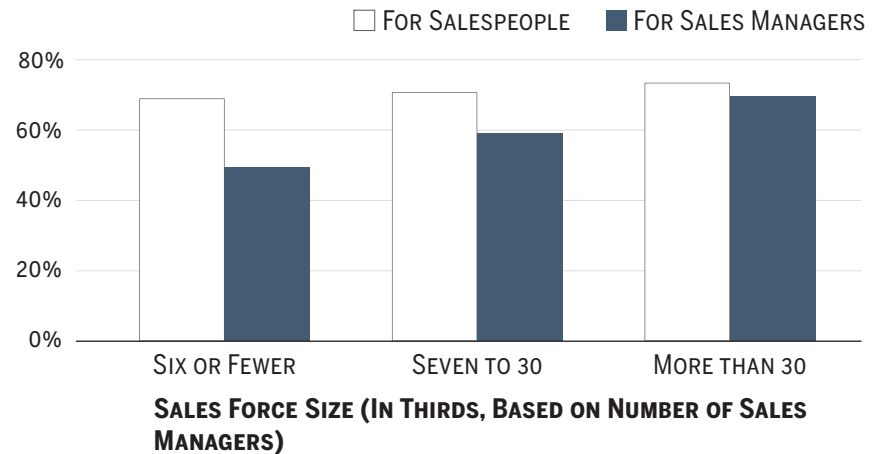
**3.4 TRAINING BUDGETS FOR SALES AND SALES MANAGEMENT**

Firms are also more likely to budget for salesperson training expense. We found that 71% of respondents have an annual training budget for salespeople, but just 59% budget for sales manager training. This disparity decreases with firm size. Of the largest firms researched (those with more than 30 sales managers), 69% budget for sales manager training, compared with 73% that budget for salesperson training.

FIRM BUDGETING FOR SALESPERSON AND SALES MANAGER TRAINING

PERCENTAGE OF FIRMS WITH BUDGETING TRAINING EXPENSE

**3.4.2** FIRMS ARE LESS LIKELY TO BUDGET FOR SALES MANAGER TRAINING THAN FOR SALESPERSON TRAINING, THOUGH THIS DISPARITY DIMINISHES WITH FIRM SIZE.

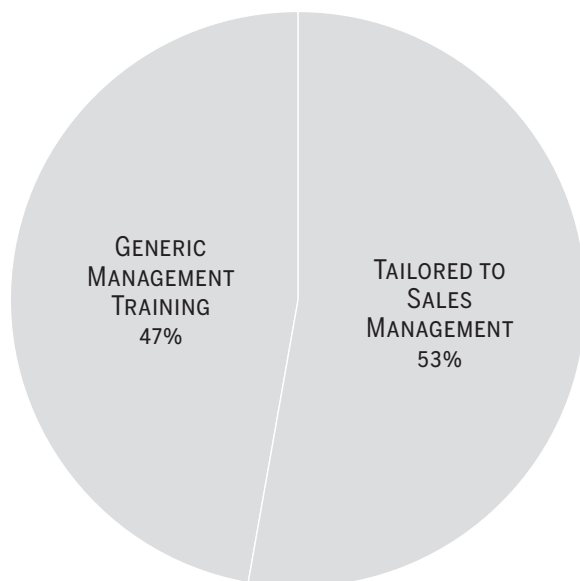


# 4 SALES MANAGEMENT TRAINING OBJECTIVES

## 4.1 CUSTOMIZING MANAGER TRAINING FOR SALES MANAGERS

FOCUS OF SALES MANAGER TRAINING

AVERAGE DISTRIBUTION BY FIRMS



**4.1** ONLY SLIGHTLY MORE THAN HALF OF ALL SALES MANAGEMENT TRAINING IS TAILORED TO MANAGING SALESPEOPLE, RATHER THAN FOCUSED ON MORE GENERIC MANAGEMENT SKILLS.

Only slightly more than half of all sales management training is tailored to managing salespeople, rather than focused on more generic management skills. Fifty-three percent of respondents' indicate sales manager training programs are more focused on specific sales management skills, on average.

## 4.2 SALES MANAGER COMPETENCIES

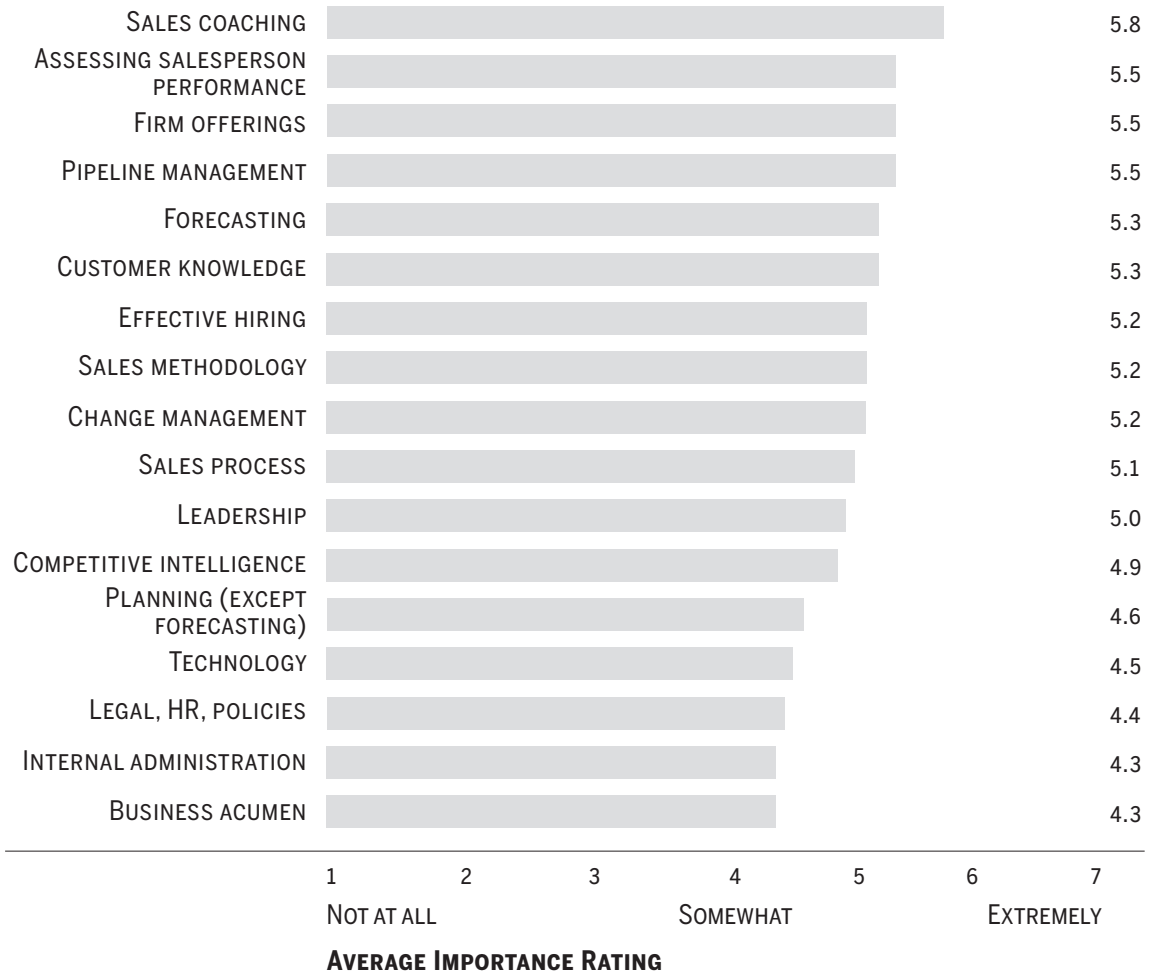
Respondents rank sales coaching as the most important sales management competency included in sales manager training. It was rated 5.8 on a 7-point scale, where 1 is not at all important and 7 is extremely important. Other highly rated sales manager competencies are assessing salesperson performance (5.5), understanding firm offerings (5.5), pipeline management (5.5), forecasting (5.3), and customer knowledge (5.3). Considered least important (though still



rated higher than 4, “somewhat important”) are business acumen (4.4), internal administration (4.4), and company policies (4.3).

SALES MANAGER DEVELOPMENT TOPICS

**AVERAGE IMPORTANCE RATING BY FIRM**



**4.2** RESPONDENTS CONSIDER COACHING THE MOST IMPORTANT SALES MANAGEMENT COMPETENCY FOR INCLUSION IN TRAINING.

**4.3 EFFECTIVENESS RATINGS BY COMPETENCY**

Respondent firms also rated their effectiveness in delivering training related to these competencies. In all cases, ratings for effectiveness lagged those for importance (effectiveness ratings are also based on a 7-point scale, where 1 is not at all effective and 7 is extremely effective).





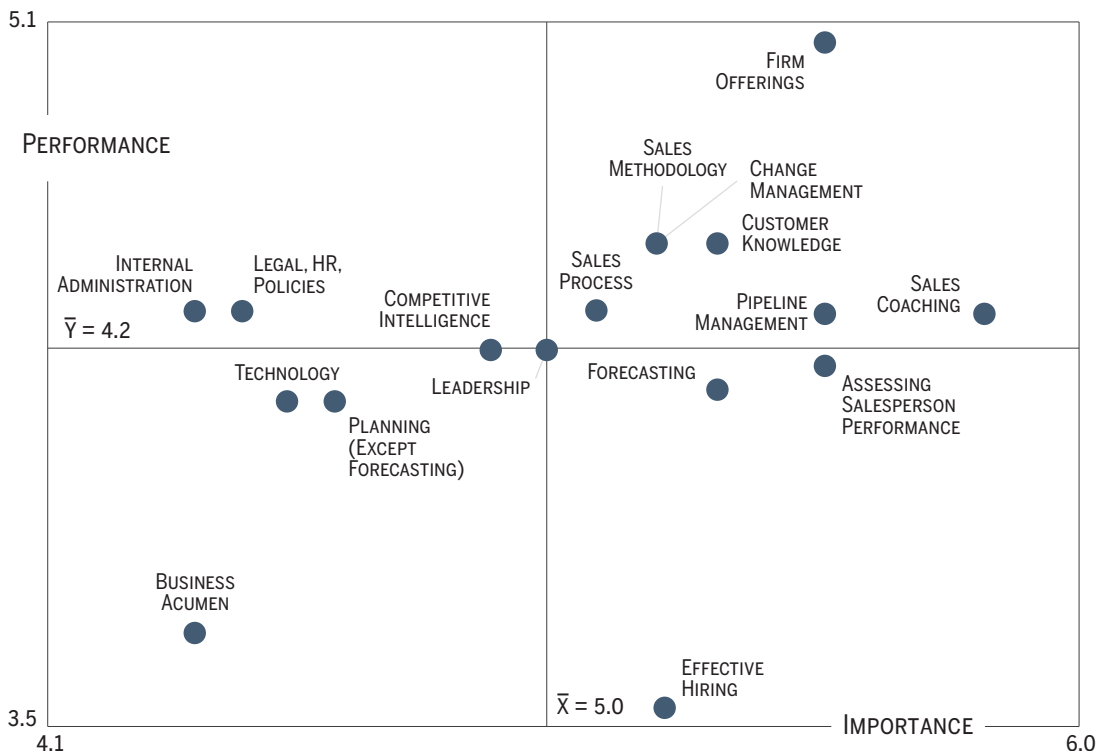
subtracting the effectiveness rating of 3.6 from the importance rating of 5.2). Other large gaps are found in sales coaching (gap of 1.5), forecasting (gap of 1.3), assessing salesperson performance (gap of 1.3), and pipeline management (gap of 1.2).

An “Importance-Effectiveness” helps to further visualize relationships between respondents’ importance and effectiveness ratings. It plots effectiveness and importance ratings for each competency on an x-y axis. Effectiveness ratings are assigned to the vertical y-axis, and importance ratings to the horizontal x-axis. The two axes intersect at the respective mean reported value for each scale (5.0 for importance; 4.25 for effectiveness; both are 5-point scales). Each competency is thereby forced into one of four quadrants, as illustrated below.

Topics ranked higher than the 50th percentile for importance are sorted on the right half of the chart; those ranked higher than the 50th percentile based on effectiveness are forced to the top half of the chart.

The lower right quadrant contains topics executed with low effectiveness, yet considered highly important. Topics in this quadrant are management’s most important improvement priorities.

SALES MANAGER DEVELOPMENT TOPICS’ IMPORTANCE AND EFFECTIVENESS



4.4 KEY IMPROVEMENT PRIORITIES FOR SALES MANAGER DEVELOPMENT ARE IN EFFECTIVE HIRING, ASSESSING SALESPERSON PERFORMANCE, AND SALES FORECASTING.



Assessing salesperson performance, forecasting, and hiring appear in this quadrant. We would add Leadership to this quadrant because it falls at the intersection of Importance and Effectiveness. (In other research by The Sales Management Association, Leadership is called out as an important sales management competency.)

The upper-right quadrant represents topics with relatively high ratings for both importance and effectiveness.

These include firm offerings, sales methodology, change management, customer knowledge, sales process, pipeline management, and sales coaching. In relation to other topics, respondents will likely sustain focus in them.

Topics in the lower left quadrant are relatively less important, and performed less effectively than others. In resource-constrained environments, firms are apt to reduce or outsource support for elements in this quadrant. Topics in this quadrant are technology, planning (except forecasting), business acumen, competitive intelligence, and sales process.

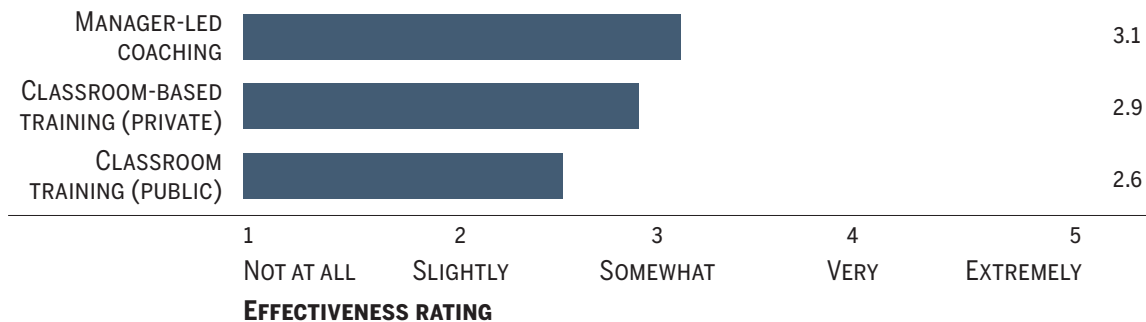
The upper left quadrant includes topics of relatively lesser importance, executed with relatively high effectiveness. Internal administration, and legal/HR, policies falls in this quadrant. Items in this quadrant are typically monitored to ensure continued effectiveness.

**4.5 EFFECTIVENESS RATINGS BY TRAINING MODE**

The primacy of manager-led coaching reinforces the importance rating of coaching ability in figure 4.2, where it is rated as the most important competency for sales manager training. It says that effective coaching is a skill important not just to first-time managers, but also at the level of managing managers.

FIRM RATINGS OF MANAGER DEVELOPMENT ACTIVITIES

**AVERAGE RATING BY FIRM**



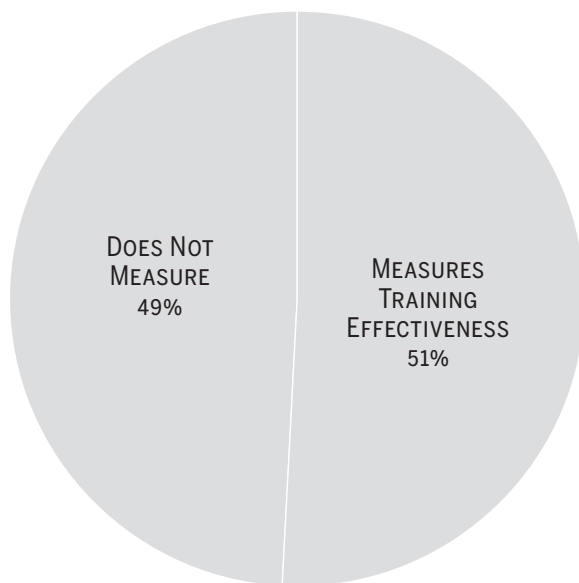
**4.5** MANAGER-LED COACHING IS RATED THE MOST EFFECTIVE DEVELOPMENT ACTIVITY.



# 5 MEASURING TRAINING'S IMPACT

## MEASUREMENT OF SALES TRAINING EFFECTIVENESS

### PERCENTAGE DISTRIBUTION OF FIRMS



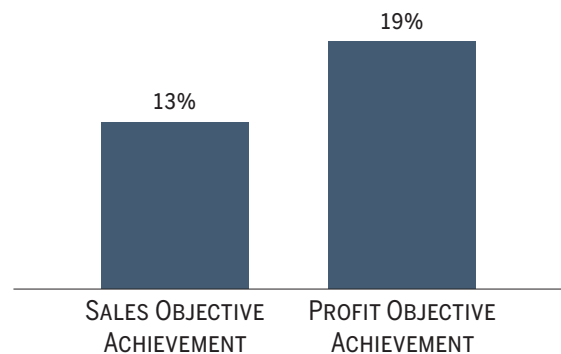
**5.0.1** ONLY ABOUT HALF OF FIRMS MEASURE THE EFFECTIVENESS OF THEIR TRAINING EFFORTS.

Measuring training outcomes is a problematic endeavor for many firms. Our research shows only about half (51%) attempt to measure sales manager training efficacy.

However, we also found that a substantial performance advantage accrues to those firms that do attempt to measure sales

### PERFORMANCE ADVANTAGE FOR FIRMS THAT MEASURE TRAINING EFFECTIVENESS

#### VARIANCE IN FIRM PERFORMANCE



**5.0.2** THOSE FIRMS THAT DO MEASURE TRAINING EFFECTIVENESS ENJOY A SIGNIFICANT ADVANTAGE IN FIRM SALES AND PROFIT PERFORMANCE.



manager training effectiveness. On average, firms that measure sales manager training effectiveness outperformed those that did not by 19% in firms sales objective achievement, and 13% in firm profit objective achievement. These correlations between training measurement and firm performance are not related to the outcomes of those measurements, that is, the effectiveness of the actual training; they simply establish a correlation between firm performance and the effort to measure training effectiveness (regardless of the outcome of that effort).

## **6 CORRELATING SALES MANAGER TRAINING AND FIRM PERFORMANCE**

### **6.1 TRAINING EFFECTIVENESS BY COMPETENCY AND FIRM PERFORMANCE**

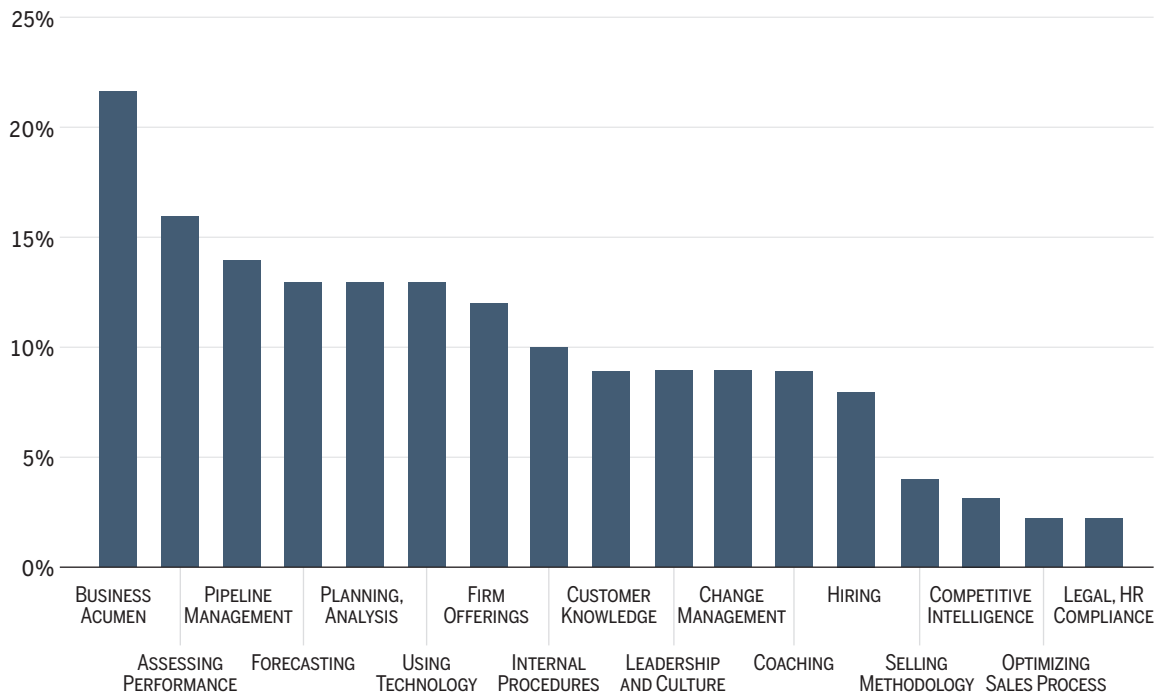
Our research found that firm effectiveness in sales manager training correlates with firm sales objective achievement. There was positive correlation for all 17 manager competencies we examined. Firms rated “effective” for each competency outperformed other firms considered not effective in training for that competency.



These performance advantages ranged from a 2% variance in firm sales objective achievement for effectiveness in training on legal and HR policy compliance, to a 22% performance differential for effectiveness in training on business acumen.

SALES MANAGER TRAINING EFFECTIVENESS AND FIRM SALES PERFORMANCE

**EFFECTIVE FIRMS' VARIANCE IN SALES OBJECTIVE ACHIEVEMENT, BY MANAGER COMPETENCY**



**6.1** THOSE FIRMS MOST EFFECTIVE IN DEVELOPING BUSINESS ACUMEN ENJOY A PERFORMANCE ADVANTAGE GREATER THAN 20% IN SALES OBJECTIVE ACHIEVEMENT.

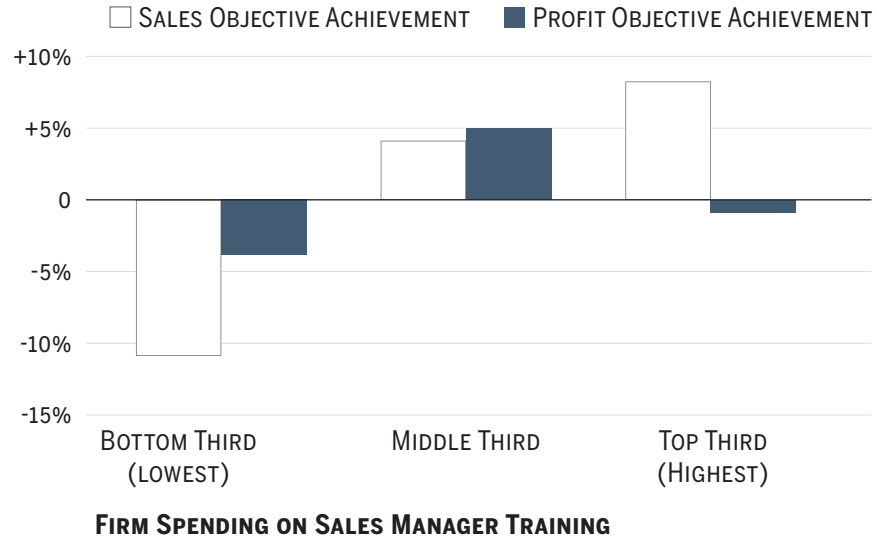
**6.2 SPENDING ON SALES MANAGER TRAINING AND FIRM PERFORMANCE**

Firms that spend the most on sales manager training enjoy the highest rates of sales objective achievement. Our analysis separated all firms into one of three categories, based on total sales manager training spending. Those firms in the top third (spending the most on sales manager training) had sales objective achievement rates 8% higher than firms in the other two categories.



SALES MANAGER TRAINING INVESTMENT AND FIRM PERFORMANCE

PERCENTAGE VARIANCE IN FIRM OBJECTIVE ACHIEVEMENT



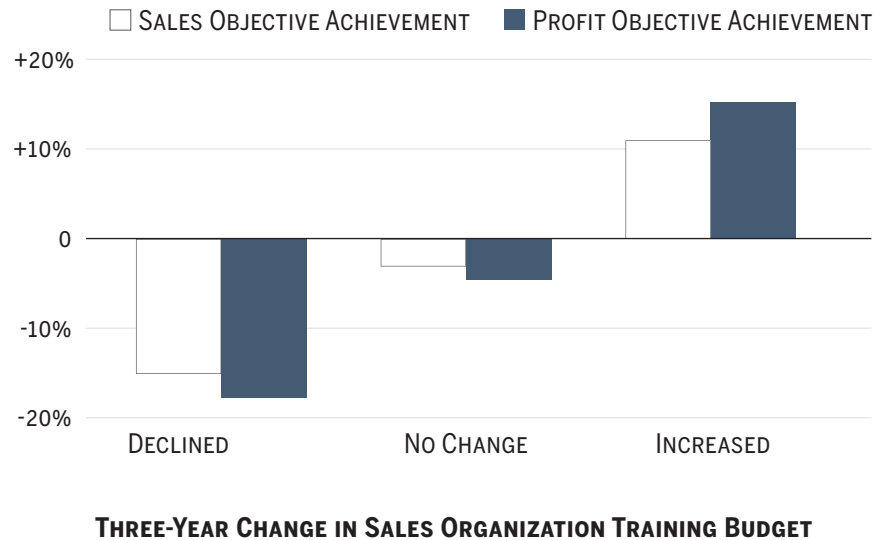
**6.2** THOSE FIRMS INVESTING THE MOST IN SALES MANAGER TRAINING ARE HIGHEST-PERFORMING IN SALES OBJECTIVE ACHIEVEMENT COMPARED WITH OTHER FIRMS.

**6.3 THREE-YEAR SALES TRAINING EXPENSE CHANGE AND FIRM PERFORMANCE**

Firms' three-year change in sales training expense correlates with firm performance in both sales and profit objective achievement. Firms that increased spending in sales training (for both salespeople and sales managers) showed higher rates of sales and

SALES TRAINING BUDGET CHANGE AND FIRM PERFORMANCE

PERCENTAGE VARIANCE IN FIRM OBJECTIVE ACHIEVEMENT



**6.3** INCREASED SPENDING ON SALES FORCE TRAINING (SALES AND SALES MANAGEMENT) CORRELATE WITH IMPROVED SALES AND PROFIT OBJECTIVE ACHIEVEMENT OF 11% AND 15%, RESPECTIVELY, COMPARED WITH FIRMS THAT DID NOT INCREASE TRAINING SPEND.



profit objective achievement than other firms, and firms with declining spending on sales force training over three years had the lowest rates of sales and profit objective achievement. Those firms that increased spending on sales force training showed sales and profit achievement rate advantages of 11% and 15%, respectively, over other firms in the study.

## 7 SALES PERSONNEL HIRING AND RETENTION

Our research gathered data on sales personnel hiring and retention that readers may find informative. It is included in this section as additional reference.

ANNUAL SALES MANAGER RETENTION RATE BY FIRM		ANNUAL SALESPERSON RETENTION RATE BY FIRM	
MIN	20%	MIN	20%
10TH PERCENTILE	70%	10TH PERCENTILE	60%
25TH PERCENTILE	80%	25TH PERCENTILE	75%
MEDIAN	90%	MEDIAN	80%
75TH PERCENTILE	100%	75TH PERCENTILE	90%
90TH PERCENTILE	100%	90TH PERCENTILE	96%
MAX	100%	MAX	100%
AVERAGE	87%	AVERAGE	80%

**7.0.1 SALES MANAGER RETENTION RATES AVERAGE 87% ANNUALLY AND ARE HIGHER THAN SALESPERSON RETENTION RATES, WHICH AVERAGE 80%.**

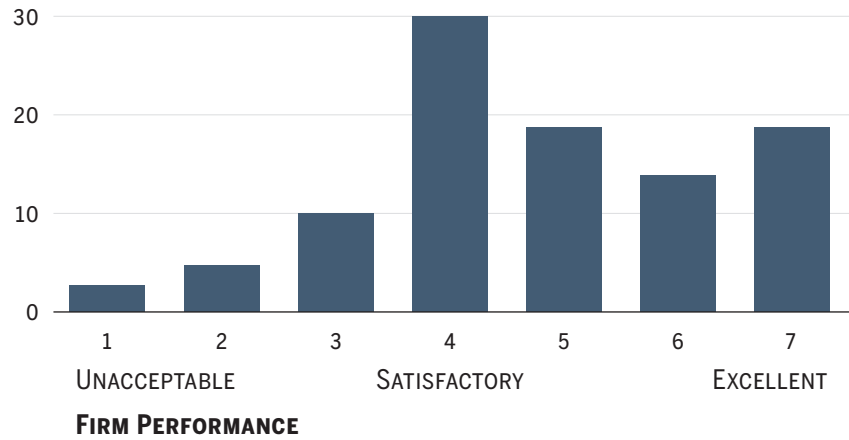


## SALES PERSONNEL HIRING AND RETENTION

ANNUAL SALES MANAGER RETENTION RATE BY FIRM

**PERCENTAGE DISTRIBUTION OF FIRMS**

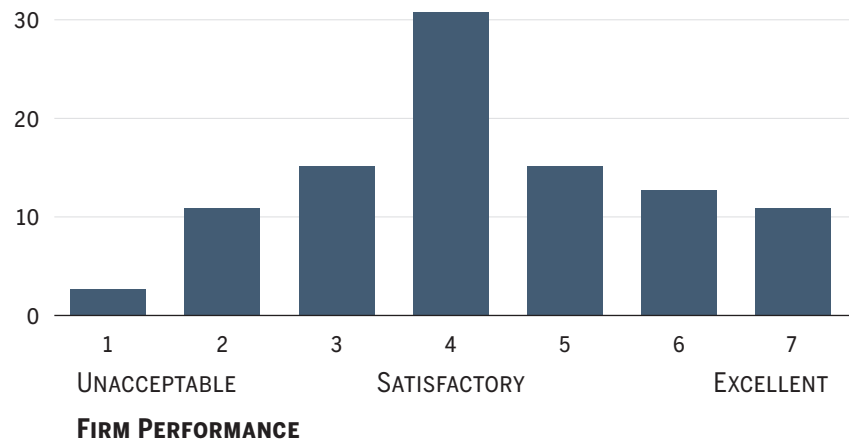
**7.0.2** MOST FIRMS FIND SALES MANAGER RETENTION RATES AT LEAST "SATISFACTORY."



ANNUAL SALESPERSON RETENTION RATE BY FIRM

**PERCENTAGE DISTRIBUTION OF FIRMS**

**7.0.3** MORE FIRMS ARE DISSATISFIED WITH SALESPERSON RETENTION RATES, WHEN COMPARED TO SALES MANAGER RETENTION SATISFACTION.



## **8 ABOUT THE RESEARCH**

### **8.1 RESEARCH APPROACH**

This study aggregates participating firms' responses to a web-based survey. The Sales Management Association developed the survey and recruited participants from our membership and broader audience of sales managers and sales operations professionals. In exchange for participating, we offer respondents advance copies of the detailed study report.

Before reporting results, we eliminate invalid or ineligible responses, and sometimes contact respondents to clarify their responses. Survey results are only reported in aggregate, and never in a way that would compromise the identity of any single respondent. All individual respondent data are treated with strict confidentiality.

### **8.2 RESEARCH TIMING AND SCOPE**

This research represents summarized data from 213 participating firms, directly employing more than 215,000 sales professionals. Data was collected between September 2015 and January 2016. Respondent demographics and descriptive information is summarized at the end of this report.



### 8.3 RESEARCH UNDERWRITERS

This study was made possible in part through the underwriting support from Brainshark and Vantage Point Performance. The Sales Management Association underwriters provide annual financial support to The Sales Management Association. Underwriters may suggest research topics, participate in ongoing research projects, and encourage participation or otherwise promote research initiatives.

Underwriters are not involved with research administration, data collection, analysis, interpretation, or report development, unless explicitly noted in the report. Also, unless noted, underwriters do not pay a research-specific fee or directly commission research initiatives.

The Sales Management Association is grateful for the support underwriters provide to our research efforts.

## 9 RESPONDENT DEMOGRAPHICS

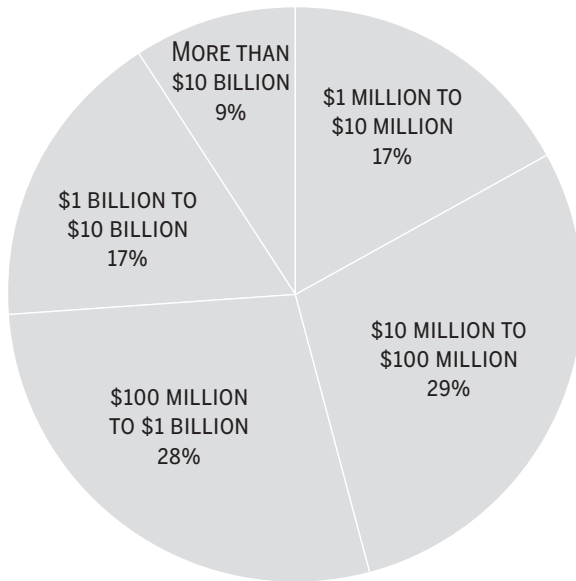
### 9.1 FIRM SIZE

Two hundred thirteen participating firms ranged in size from small to very large. Fifty-four percent of respondents' firms



RESPONDENTS' FIRM REVENUE (USD)

**PERCENTAGE OF RESPONDENTS**



**9.1** OVER HALF OF FIRMS HAVE REVENUE IN EXCESS OF \$100 MILLION.

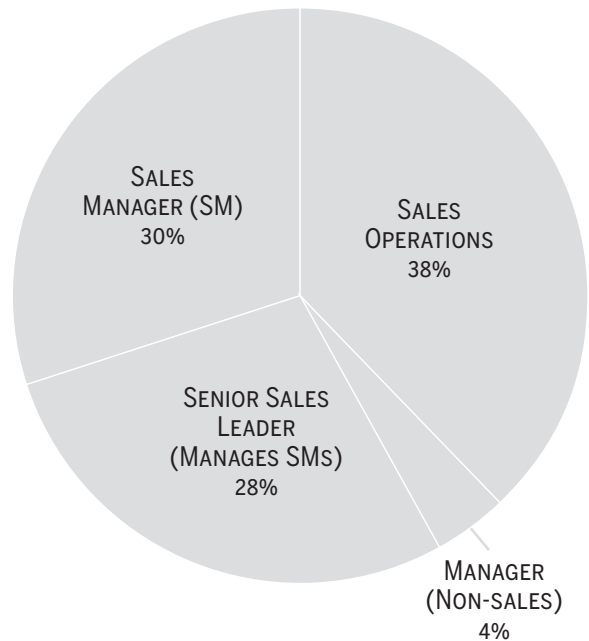
had annual revenue in excess of US\$100 million; 9% were firms with annual revenues in excess of US\$10 billion.

**9.2 JOB ROLE**

Respondents are predominately sales managers in their firms. Thirty percent of respondents are first-line sales managers (i.e., they directly manage salespeople). An additional 28% are senior sales leaders, managing sales managers. Thirty-eight percent are in sales operations management roles, and 4% are in non-sales-related management positions.

RESPONDENTS' JOB ROLE

**PERCENTAGE OF RESPONDENTS**



**9.2** RESPONDENTS ARE PREDOMINATELY MANAGEMENT PROFESSIONALS IN SALES OPERATIONS OR SALES MANAGEMENT

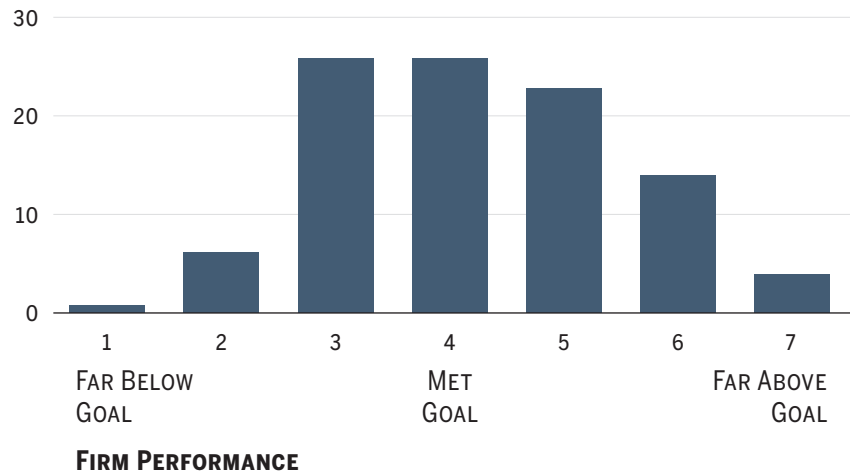


9.3 FIRM PERFORMANCE

RESPONDENTS' SALES OBJECTIVE ACHIEVEMENT

PERCENTAGE DISTRIBUTION OF FIRMS

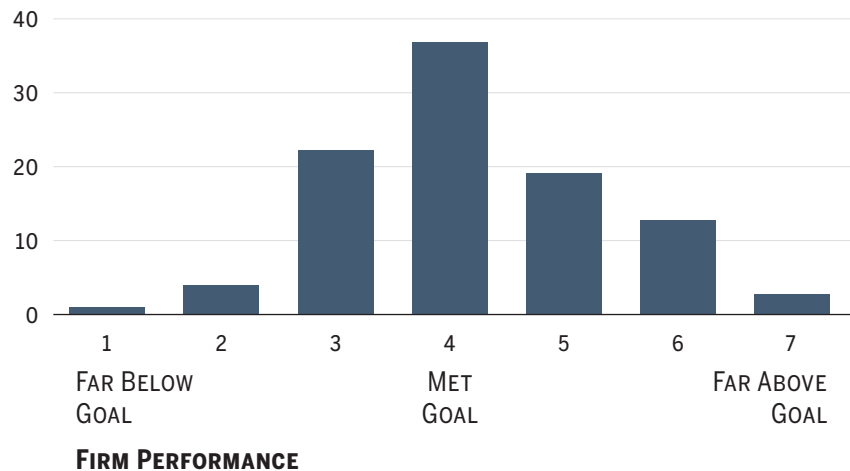
9.3.1 MOST FIRMS ACHIEVED OR EXCEEDED SALES OBJECTIVES.



RESPONDENTS' PROFIT OBJECTIVE ACHIEVEMENT

PERCENTAGE DISTRIBUTION OF FIRMS

9.3.2 MOST FIRMS ACHIEVED OR EXCEEDED PROFIT OBJECTIVES.



Sixty-seven percent of respondent firms met or exceeded firm sales objectives in the preceding 12 months, and 73% met or exceeded profit objective in the same period.

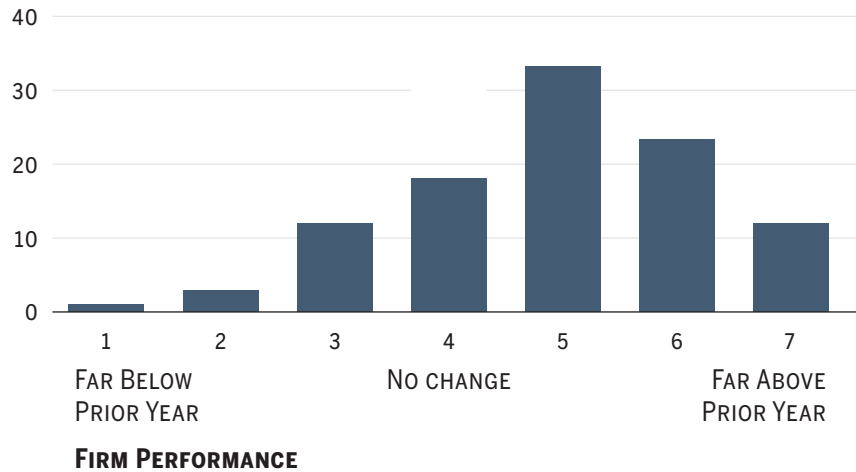
Respondents were asked to rate their firm's achievement of profit and sales objective based on a 7-point scale ("1" for far underachieved objective, "4" for met objective, and "7" for far exceeded objective). We use this performance rating approach in



RESPONDENTS' YEAR-OVER-YEAR SALES GROWTH

**PERCENTAGE DISTRIBUTION OF FIRMS**

**9.3.3** MOST FIRMS IN THE STUDY EXPERIENCED YEAR-OVER-YEAR GROWTH IN SALES.



order to normalize company performance across large and small firms, and high and moderate growth sectors.

Twenty percent of respondents' rated profit objective achievement in the highest two categories ("6" or "7"); 17% of firms rated sales objective achievement in the highest two performing categories. Sixty-six percent of respondent firms had positive revenue growth in the preceding 12 months. Nineteen percent had flat revenues, while only 16% experienced declining firm revenues.

**9.4 SALES FORCE SIZE, STRUCTURE, AND MANAGEMENT SPAN OF CONTROL**

Respondents firms have an average of 121 sales managers, and 1,018 salespeople; sales managers have 8.4 direct-report salespeople on average by firm; when calculated in aggregate, management span-of-control is also 8.4.

SALESFORCE SIZE (NUMBER OF SALESPeOPLE)		SALESFORCE SIZE (NUMBER OF MANAGERS)	
MIN	10	MIN	1
10TH PERCENTILE	15	10TH PERCENTILE	2
25TH PERCENTILE	23	25TH PERCENTILE	4
MEDIAN	100	MEDIAN	12
75TH PERCENTILE	317	75TH PERCENTILE	48
90TH PERCENTILE	1,880	90TH PERCENTILE	300
MAX	40,000	MAX	4,000
AVERAGE	1,018	AVERAGE	121
TOTAL	216,777	TOTAL	25,874

Corresponding median values are 100 salespeople per firm, 12 managers per firm, and a salesperson-to-sales manager ratio of 8.3:1.

**9.4** RESPONDENTS' FIRMS HAVE AN AVERAGE OF 121 SALES MANAGERS AND 1,018 SALESPeOPLE.

